

HEALTHCARE COST  
CONTAINMENT COMMITTEE



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**STATE OF CONNECTICUT**  
HEALTHCARE POLICY & BENEFIT SERVICES DIVISION  
OFFICE OF THE STATE COMPTROLLER

**DIVISION MEMORANDUM 2013--03**  
**TO THE HEADS OF ALL STATE AGENCIES**

**July 9, 2013**

**ATTENTION: Personnel and Payroll Officers**  
**SUBJECT: Special Open Enrollment following Supreme Court's  
Invalidation of Defense of Marriage Act**

**I. INTRODUCTION**

On June 26, 2013, the U.S. Supreme Court struck down the portion of the Defense of Marriage Act ("DOMA") that effectively barred same-sex married couples from being recognized as "spouses" for purposes of federal law. The purpose of this memorandum is to announce a special open enrollment period for state employees and retirees who wish to add a same-sex spouse to the State's health plan and to explain immediate changes in the federal tax treatment of health benefits provided to same-sex married couples.

**II. DISCUSSION**

Before the Supreme Court's ruling, heterosexual married couples were able to provide health benefits to a spouse on a tax-free basis but same-sex married couples were not. This meant that state employees or retirees providing health benefit coverage for a same sex spouse under the state's health plan paid the premium for the spouse's coverage on a post-tax basis and were taxed on the imputed value of benefits provided to a same-sex spouse.

A. Special Open Enrollment: The federal income tax burden may have discouraged some employees from enrolling a same sex spouse in health benefit coverage. For that reason, we are announcing a Special Open Enrollment period between July 9, 2013 and September 13, 2013 to give employees the opportunity to enroll a same-sex spouse for health benefit coverage.

1) Eligibility rules for the Medical/Prescription Drug plans have been updated in CORE-CT consistent with the Supreme Court ruling to permit coverage of a same sex spouse as a dependent on a pre-tax basis.

2) Special Enrollment Period - The special open enrollment period will begin July 9, 2013 and end on September 13, 2013. During this period, enrollment is limited to state employees and retirees who did not previously enroll their same sex spouse.

3) Subscribers who fail to add a same-sex spouse partner during the Special Enrollment Period will not be permitted to add such persons until the annual Open Enrollment period for coverage effective July 1st of each year, or until a Qualifying Event such as a loss of coverage or life status change.

4) Verification of Marital Status – The Subscriber must provide a copy of his or her marriage certificate at the time of enrollment. Applications to add a same sex spouse must be submitted to the employing agency by the close of business on **September 13, 2013**.

5) Updating Health Coverage Records – The agency is responsible for updating the Subscriber's Health Benefit election records. Agency personnel will use the date of the subscriber's timely request to create a Family Status Change (FSC) event in CORE-CT and produce an Enrollment Statement for the requesting party. Upon receipt of the completed Enrollment Statement and marriage certificate, the agency will enter the subscriber's same-sex spouse as a dependent and process the requested update to health coverage in On-Demand Event Maintenance. Confirmation Statements will need to be provided to any subscriber requesting an update to coverage.

B. Employees currently covering a Same-Sex Spouse: For the roughly 800 employees and retirees currently covering a same sex spouse under the state health plan, the Central Benefits Unit will send each agency a list of affected employees. The Comptroller's Office is working on modifying the records for this group on a global basis through CORE-CT to adjust premium shares from a post-tax to a pre-tax basis and to modify federal income and Social Security taxes year to date. Agencies should not process any changes for employees currently covering a same-sex spouse in response to the Supreme Court ruling.

C. Prior Tax Years: The Internal Revenue Service and the U.S. Department of Labor are expected to issue guidance concerning how the Supreme Court's decision will affect the administration of some 1,000 federal laws. It is presently unclear how the ruling will impact federal income tax returns filed in prior years or whether the IRS will establish specific procedures for same-sex couples to seek refunds based on filing status or payment of federal income and Social Security taxes on the imputed value health benefits to a same-sex spouse. For now, the Comptroller's Office will refrain from issuing corrected W-2's or taking any action with regard to prior tax years until such guidance is issued.

### III CONCLUSION

The Office of the State Comptroller will provide further information on this subject to state agencies as it becomes available. Agency personnel and payroll representatives with questions may contact Central Benefits by email at [osc.benefitcorrections@po.state.ct.us](mailto:osc.benefitcorrections@po.state.ct.us), or at (860) 702-3535. Please do not refer employees to this number, as all calls from individual employees will be referred back to their employing agency.

Very truly yours,

A handwritten signature in cursive script that reads "Thomas C. Woodruff". The signature is written in black ink and includes a horizontal line extending to the right from the end of the name.

THOMAS C. WOODRUFF, Ph.D.  
Division Director